

01 DEC 1997

MTUC-Prices

DON'T INCREASE PRICES INDISCRIMINATELY, SAYS MTUC

KUALA LUMPUR, Dec 1 (Bernama) -- The Malaysian Trades Union Congress (MTUC) has urged all manufacturers, wholesalers and retailers to heed Prime Minister Datuk Seri Dr Mahathir Mohamad's call not to indiscriminately increase the prices of goods and services.

MTUC President Zainal Rampak said the economic downturn that Malaysia was facing now could be managed satisfactorily only if traders acted responsibly and had the nation's long term interest at heart.

"The MTUC has often been calling upon businessmen not to further burden Malaysian consumers with high costs of goods and services, as the depreciated ringgit has already made us poorer by about 30 per cent.

"Any further increase in prices will only bring about higher inflation and lower purchasing power," he said in a statement.

Zainal said the soon-to-be-set-up National Economic Action Council should consider enforcement of consumer protection laws as one of its functions and this could be done in cooperation with the Ministry of Domestic Trade and Consumer Affairs, trade unions and other consumer action groups.

"On our part, we are willing to extend our full cooperation and assistance to the authorities to bring about more equitable and affordable prices in the country, as workers constitute the bulk of the low and middle income groups," he said.

DAP deputy secretary-general Lim Guan Eng, meanwhile, urged the Cabinet to reject the request by manufacturers of palm oil-based cooking oil for a price increase, when the matter is discussed on Wednesday.

He said the sharp rise in palm oil price was not due to a shortage of supply or increased demand but due to the depreciation of the ringgit as palm oil trading was done in US dollars.

The request should also be rejected because palm oil producers exported 95 per cent of their production and it was difficult to accept that the huge profits from the exports could not be used to subsidise the five per cent sold locally, he said.

Lim, in his statement, also said that the appreciation of the US dollar against the ringgit had resulted in a windfall of RM2 billion for oil palm producers, as their income had risen to RM13 billion this year from RM11 billion last year.

He said the producers need to contribute only RM25 million to prevent a rise in the local cooking oil price.

Lim said Dr Mahathir was right when he said there was no reason for palm oil producers to raise their prices when their costs had not gone up.

Disagreeing with Domestic Trade and Consumer Affairs Datuk Seri Megat Junid Megat Ayob that cooking oil price could be allowed to rise by up to 30 per cent, he said the minister must be firm in not allowing any increase. -- BERNAMA

AU SK